



Emirates Integrated Telecommunications Company PJSC Reports its Q1 2022 Results

Emirates Integrated Telecommunications Company PJSC reports strong performance with a 21% jump in Net Profit.

Dubai, UAE. 28 April 2022 — Emirates Integrated Telecommunications Company PJSC (“EITC”) announced its financial results for the quarter-ended 31 March 2022. Revenues grew by 8.5% to AED 3.1 billion on sustained demand for broadband and mobile services. EBITDA grew by 13.3% to AED 1.3 billion on higher service revenues. Net profit jumped 21% to AED 311 million. Operating Free Cash Flow (EBITDA – Capex) grew 75% to AED 964 million thanks to higher EBITDA and Capex spend which is beginning to normalize.

Operating highlights

- **Our focused commercial initiatives drove a 10.4% growth in mobile customers.** We ended the quarter with 7.5 million subscribers on healthy net-additions across the postpaid and prepaid segments. We delivered a third consecutive quarter of net-additions on the postpaid segment which grew to 1.4 million customers. Our prepaid customer base increased to 6.1 million thanks to targeted offers, brisk tourism activity and continued improvement in the economic environment.
- **Our consumer broadband offering remains extremely attractive.** We attracted 48,000 new customers (Q1’21: 13,000) and ended the quarter with 439,000 broadband customers. This represents a 76.7% increase year-over-year. Again, our commercial initiatives across various product categories and the disciplined execution of our broadband strategy helped drive another quarter of solid performance.

Financial highlights

- **Revenues grew 8.5% to AED 3,128 million.** *Mobile service revenues* continued their recovery: revenues increased 6.9% to AED 1,402 million while handset sales generated AED 216 million in revenues. *Fixed services revenues* jumped 22.8% to AED 815 million on sustained demand from consumer and enterprise customers. In aggregate, service revenues increased 12.2% to AED 2,217 million.
- **EBITDA increased by 13.3% year-over-year to AED 1,269 million.** This improvement was mainly driven by higher service revenues. Given mobile and fixed services’ higher profitability, EBITDA margins expanded by 170bp to 40.6%.
- **Net Profit jumped 21% to AED 311 million.** The impact of higher EBITDA was partially offset by increased depreciation charges triggered by our infrastructure investment.
- **Capex spend moderated to AED 305 million on a capital intensity of 9.7%.** This reflects the usual seasonality as most of the Capex spend is skewed towards the second half of the year. More importantly, our capex profile is beginning to normalize following two consecutive years of high capital intensity.
- **Operating free cash flow (EBITDA – Capex) increased by 75% to AED 964 million.** This is the combined result of an improving EBITDA and lower capex.

Financial summary

AED million	Q1 2021	Q1 2022	change
Revenues	2,883	3,128	8.5%
EBITDA	1,120	1,269	13.3%
Margin	38.8%	40.6%	1.7%
Net profit	257	311	21.0%
Capex	-569	-305	-46.5%
capital intensity	19.7%	9.7%	-10.0%
Operating free cash flow	551	964	75.0%
margin	19.1%	30.8%	



Fahad Al Hassawi, CEO said:

"Our Q1'22 results confirm our recovery trajectory is on a sustainable path. The COVID-19 impact is phasing out. We continued to experience increased mobility and a general improvement in the economic environment. We also continued our efforts to deploy our innovative portfolio of products and services and to implement the transformation of the Company. Our considerable infrastructure investment allows us to continue innovating and improve customer experience. More importantly, it sets the foundations for continued strong performance.

Furthermore, this quarter's performance validates our strategy. My team is focused on growth. We are committed to re-invigorating our core mobile and fixed operations while pursuing modernization of our infrastructure. We will continue to work to maintain this positive commercial momentum throughout 2022."

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About Emirates Integrated Telecommunications Company PJSC

The Emirates Integrated Telecommunications Company PJSC (EITC) was founded in 2005. We are the UAE's second licensed telecommunications operator. We operate under two brands: du (launched in 2007) and Virgin Mobile the region's first digital service (started operations in September 2017).

We are listed on the Dubai Financial Market (DFM) and trade under the DU ticker (Bloomberg DU UH, Refinitiv Eikon DU.DU). Our core shareholders are government-related entities (Emirates Investment Authority 50.12%, Emirates International Telecommunications Company LLC 19.7%, Mamoura Diversified Global Holding PJSC 10.06%).

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